

## MEMORANDUM

May 24, 2011

To: City Council Finance Committee

From: Lauren Bradley, Administrative Services Director

CC: Gary W. Jackson, City Manager

Subject: Requests for city sponsorship of events

The City of Asheville has historically supported community events through two types of sponsorships: (1) fee waivers and (2) the provision of municipal support services at no cost, like public safety or sanitation services. Fee waivers have an impact on city revenues while support services have an impact on city expenditures for overtime and related costs.

In March 2009, the City Council voted to provide sponsorship benefits, including fee waivers and municipal support services at no cost, to six “anchor events” for a period of three years. Council capped the monetary value of the city’s sponsorship for fee waivers and support services at \$114,295 annually over the sponsorship period. FY 11-12 marks the second year in the three year agreement with these events, which include the Asheville Drum Circle, Asheville Holiday Parade, Downtown After Five, Goombay Festival, and Shindig on the Green. The FY 11-12 budget includes the revenue and expenditure impacts of these events.

At the same time in March 2009, City Council approved a permit fee discount of 75% for any event that is produced by a registered non-profit organization. Through March 2011, 49 events received the fee discount with a value of \$7,180 in waived fees. The FY 11-12 Fees and Charges Manual continues this discount.

In recent months, the city has received requests for additional event sponsorships. Based on City Council’s direction in 2009 and the capping of sponsorship levels, additional community events can be considered for sponsorship if and when one of the following occur:

- The three year sponsorship agreement period ends (after FY 12-13), at which time City Council will evaluate options for the next three year sponsorship period; and/or
- City Council increases the sponsorship cap through a necessary budget amendment and awards sponsorship to additional events.

### **Requests for sponsorship:**

Staff has received two formal requests for event sponsorship, described below.

#### ***Eblen Charities Smoky Mountain Toy Run – December 2011***

This event entails a police-escorted motorcycle parade with a proposed central toy donation point and event rally in Pack Square Park.

	Revenue Impacts	Expenditure Impacts	Description
Park Use Fees	\$1,100.00		(9 hours of Rueter Terrace and Roger McGuire Green)
Temporary Use Application Fees	\$156.00		(Building and Fire Code - Tents, Life Safety Plan, etc.)
Parking Lot Supervision		\$270.00	(AFR staffing to maintain access to Court House and City Hall)
Police Support		\$4,815.36	(Traffic control and safety)
Parking Meter Closures	\$825.00		(estimate of 55 spaces - in front of City Hall and Charlotte Street)
Sanitation		\$336.00	
Barricades	\$50.00		(required for road leading to the front of City Hall)
Private Property Permit	\$156.00		(permitting the temporary space in Westgate)
TOTALS	\$2,287.00	\$5,421.36	
Value of 75% discount	\$937.50		
<b>Total Value of Sponsorship</b>	<b>\$3,224.50</b>	<b>\$5,421.36</b>	<b>\$8,645.86</b>

### ***Just Folks events at Triangle Park – Year Round***

Just Folks is a local non-profit organization whose primary purpose is to support community-building activities in the Eagle/Market Street area. Just Folks have been approved for permits to hold 2 events each weekend - gospel music event and community cookouts which are free and open to everyone in the community. They are interested in holding events year round in the park and anticipate a total of 34 events for approximately 175 hours of programming.

	Revenue Impacts	Expenditure Impacts	Description
Park Use Fees	\$6,000.00		(Fees for use of Triangle Park)
Less the 75% Non-profit discount	- \$4,500.00		
<b>Total Value of Sponsorship</b>	<b>\$1,500.00</b>	<b>\$0.00</b>	<b>\$1,500.00</b>

In addition to these requests, staff has fielded several informal requests for sponsorship.

### **Policy Questions**

For FY 11-12, all six sponsored events are anticipated to move forward, meeting Council's established cap for sponsorships in the FY 11-12 budget. Therefore, in order to consider additional events for sponsorship, including the two above, City Council would have to consider adopting a budget amendment to adjust revenues and expenditures for associated sponsorships that have an impact on the budget or directing staff to cut back in other areas to balance the associated budgets. With this in mind, staff is seeking Finance Committee direction on the following policy questions:

- Does the Committee want to bring forward to the full Council the consideration of a budget amendment or budget reductions to accommodate additional event sponsorships in FY 11-12?
- If so, what process would the Committee recommend to Council evaluating events? An open call for applications? Consideration of only the events described above?
- If not, how should the City handle requests for event sponsorship that arise in between the three year award cycle?